

August 20, 2003

Montana Medicaid Notice

Pharmacy Providers

New Prescription Drug Program Manual

On August 20, 2003, a new *Prescription Drug Program* manual was published. Due to the numerous changes to the manual, we felt it would be best to publish a new manual rather than replacement pages. The changes to the manual include program changes and additional material that was not included in the July 2001 edition of the manual. The following table lists some of the changes:

Manual Changes		
Page #	Chapter	Change
i.1 - i.2	Table of Contents	Changes reflect new information
ii.1 - ii.3	Key Contacts	Technical services center number and Key Websites added.
1.1	Drug Program	Updated DUE CARE board meetings website.
2.1 - 2.3	Medicaid Covered Products	Cost sharing moved to <i>Billing Procedures</i> chapter
3.1 - 3.6	Mental Health Services Plan Covered Products	Change in MHSP cost share effective 10/01/03, change to MHSP monthly cap effective 08/01/03, and changes in preferred labelers.
4.1 - 4.2	Dispensing Limitations	Change in early refill policy effective 02/01/03.
5.1 - 5.7	Prior Authorization	New PA requirement for retroactively eligible clients effective 09/01/03, and several changes to PA criteria that reflect all updates since January, 2003.
6.1 - 6.12	Reimbursement	Additional guidance added regarding remittance advices, adjustments, electronic funds transfer, and electronic remittance advice.
7.1 - 7.6	Billing Procedures	Additional billing guidance added.
C.1 - C.3	Appendix A: Forms	Claim Inquiry form and Individual Adjustment Request form added.
D.1 - D.6	Index	New index reflects changes.

Providers should download the new manual from the mtmedicaid.org website and review the changes. At the top of each page that has a change, you will see the notation *Replacement Page, August, 2003*.

Proposed Administrative Rule Change

On February 14, 2003, the Department filed a proposed amendment to Administrative Rule 37.86.1101. The proposed amendment is hereby cancelled. The proposed amendment would have changed the reimbursement to pharmacy providers by increasing the percentage off the Average Wholesale Price (AWP) for generic multiple source drugs without Federal Upper Limits. Pharmacy Providers will continue to be reimbursed for covered drugs at the lesser of:

- The providers usual and customary charge
- The estimated acquisition cost (AWP less 15 percent) plus a dispensing fee
- The maximum allowable cost plus a dispensing fee

Any questions regarding this cancellation can be directed to Dan Peterson at (406) 444-2738

Compound Prescriptions

Effective October 1, 2003, providers transmitting claims to the Department using NCPDP 5.1, which begins October 1, 2003, will be required to bill compounded drugs using each NDC associated with the ingredients in the compound. Do not use the Department-assigned NDCs. The point of sale system will prompt the pharmacy to put in each NDC associated with the ingredients in the compound once the pharmacist inserts a 2 in the compound code field. The claim will deny if any part of the compound is not covered, i.e. a non-rebatable drug. The Submission Clarification Code field (420-DK) in the Claim Segment allows the pharmacy provider to submit an "8" (Process Compound for approved ingredients). This will allow the claim to process with just the approved items. If any part of the compound requires a Prior Authorization (PA), the claim will deny for PA.

Those pharmacy providers transmitting claims using the NCPDP 3.2C format and providers filing claims on paper may continue to submit claims for compounded drugs using the Department-assigned NDCs until October 16, 2003 when NCPDP 3.2C becomes obsolete. The following Department-assigned NDC's will be cancelled:

Bowel Preparations	00888-0001-00 through 00888-0001-02
Compounded oral tablet, capsule or solution	00888-0002-00 through 00888-0002-29
Injectable (non-infusion)	00888-0003-00 through 00888-0003-02
Nasal Preparation	00888-0004-00 through 00888-0004-02
Ophthalmic Preparations	00888-0005-00 through 00888-0005-02
Otic Preparations	00888-0006-00 through 00888-0006-02
Respiratory Preparations	00888-0007-00 through 00888-0007-09
Suppositories & Suspensions	00888-0008-00 through 00888-0008-12
Topical creams, ointments and gels	00888-0009-00 through 00888-0009-29
Topical solutions	00888-0010-00 through 00888-0010-02

Contact Information

To download the manual, visit the Provider Information website:

<http://www.mtmedicaid.org>

For claims questions or additional information, contact Provider Relations:

Provider Relations in Helena and out-of-state: (406) 442-1837

In-state toll-free: 1-800-624-3958